

**IN UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

In re: BRICKCHURCH ENTERPRISES, INC., <div style="text-align: center;">Debtor.</div>	x : : : : : : : x	Chapter 11 Case No. 22-70914-ast
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**DECLARATION OF LOUISE BLOUIN IN SUPPORT OF THE
DEBTOR’S MOTION FOR ENTRY OF AN ORDER (I) DISMISSING THE
CHAPTER 11 CASE OF DEBTOR BRICKCHURCH ENTERPRISES, INC.
AND (II) GRANTING RELATED RELIEF**

I, Louise Blouin, declare as follows under penalty of perjury:

1. I, Louise Blouin, am the principal of Brickchurch Enterprises, Inc. (the “**Debtor**”), the debtor and debtor-in-possession in these chapter 11 proceedings. I submit this Declaration (“**Declaration**”) in support of Debtor Brickchurch Enterprises, Inc.’s *Motion of the Debtor for Entry of an Order (I) Dismissing the Chapter 11 Case of Debtor Brickchurch Enterprises, Inc. and (II) Granting Related Relief* (“**Voluntary Dismissal Motion**”)

2. This Declaration may be supplemented as necessary and appropriate.

3. Except as otherwise noted herein, all statements set forth in this Declaration are based on one or more of: my personal knowledge of the Debtor’s operations, finances and assets; my direct participation in negotiating financing potential lenders; and information learned from my review of relevant documents. If I were called upon to testify, I would and could testify competently to the facts set forth in this Declaration.

**Commencement of Chapter 11 Case, Exploration of Restructuring Alternatives and
Negotiation of the DIP Financing**

4. On April 30, 2022, BEI commenced this Chapter 11 Case¹ to protect itself from prepetition secured lender JGB Partners, LP, JGB Capital, LP, JGB (Cayman) Ancona, Ltd., JGB Plymouth Rock, LLC (collectively, “**JGB**”). **JGB forced BEI into bankruptcy protection because of JGB’s refusal to take financing offers presented to JGB by Louise Blouin. When the bankruptcy was commenced, JGB’s claim was in the amount of \$39.9 million and the remaining creditor claims, excluding Ms. Louise T. Blouin’s claim, were only \$54,741. JGB’s claim was 99.99 percent of BEI’s outstanding debt.**

5. **I have always maintained traditional bank lenders, and BEI only entered into a financing relationship with JGB as a short-term temporary gap measure.**

6. During the Chapter 11 Case, BEI considered and explored numerous alternatives to obtain the necessary liquidity to pay all creditors and fund this chapter 11 bankruptcy case. These alternatives included: a potential sale of Debtor’s primary real estate and potential new third-party financing.

7. The Debtor engaged real estate broker Nest Seekers International to market the Debtor’s primary asset, a luxury residential estate in Southampton, for both sale and rental. The Debtor’s broker continues to market the property and engage prospective buyers and renters.

8. In the process of exploring strategic alternatives, the Debtor sought the financing necessary to reorganize its affairs in chapter 11. After approximately five months of shopping for exit financing, the Debtor obtained favorable exit financing from a reputable lender, Bay Point Capital Partners, LP, an affiliate of Bay Point Advisers, LLC (“**Bay Point**” or “**DIP Lender**”), a

¹ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Voluntary Dismissal Motion.

\$450 million hedge fund based in Atlanta, Georgia.

9. With the approximately \$60 million in financing (the “**Bay Point Loan**”) from the DIP Lender, BEI has paid all claims approved by the Court.

10. On December 9, 2022 (“**Closing Date**”), the Debtor closed on the post-petition Bay Point Loan approved by the Court pursuant to the *Order (I) Authorizing Debtor to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. §§ 105, 361, 362 and 364, and (II) Granting Liens and Super-Priority Claims* [Dkt. No. 172] (“**DIP Financing Order**”) and/or DIP Loan Agreement.²

11. On the Closing Date, Debtor’s pre-petition secured lender JGB was paid the \$44.5 million Settlement Amount and the Assignment contemplated under the Payoff Order and DIP Financing Order entered by the Court was effectuated.

12. **BEI entered into the Bay Point Loan to take out the JGB loan and end the relationship with JGB. I am now seeking a return to traditional financing.**

13. **Further, at the inception of the relationship with Bay Point regarding the Bay Point Loan we agreed that the end goal was to change the narrative regarding the property from one of distress to stability to maximize value.**

14. **BEI remaining in bankruptcy is adversely affecting the property’s marketability. At the first meeting between Bay Point, Brickchurch and Nest Seekers, it was agreed that all parties would work together to clean up the narrative regarding the property. The new positive narrative would position the property at a higher value in the market to refinance and/or sell. BEI, however, hasn’t been able to fully clean the narrative in the 6 months since the closing of the post-petition Bay Point loan in December 2022, since BEI has remained in bankruptcy. A new lender wants to refinance the Bay Point loan but is**

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the DIP Financing Order.

conditioning the financing on BEI emerging from bankruptcy before entering the loan transaction. BEI needs to be out of bankruptcy to allow breathing room to refinance. That is the best path forward for BEI.

Post-Dismissal Refinancing of DIP Loan and/or Sale

15. BEI now has an opportunity to pay the Bay Point Loan in full pursuant to a transaction with proposed lender REYL Intesa San Paolo (“**REYL**”).

16. REYL has over \$1 trillion in assets on its balance sheet. Founded in 1973, REYL is a diversified banking group with offices in Switzerland (Geneva, Zurich, Lugano), Europe (London, Luxembourg, Malta) and the rest of the world (Singapore, Dubai). It employs over 400 professionals.

17. Pursuant to the proposed financing transaction (“**Financing Transaction**”) with REYL, REYL will provide \$62 million in secured financing to BEI with a three percent interest rate to, among other things, pay the Bay Point Loan in full. The Bay Point Loan is currently not in default. No amounts are currently due and owing on the Bay Point Loan.

18. Sixty percent of the security for the REYL loan will be taken from the value of 366 Gin Lane, Southampton and the remainder of the security for the loan will be taken from the value of 376 Gin Lane, Southampton, through cross-collateralization.

19. **REYL will not enter into the Financing Transaction with BEI until BEI is no longer in bankruptcy. BEI’s ability to refinance on favorable terms and sell the property at market value has been hampered by the bankruptcy.**

20. **Additionally, the Debtor’s secured lender Bay Point will not be harmed by the dismissal because Bay Point retains all rights and remedies available to it under contract, applicable law and all Orders of this Court.**


21. Finally, exiting chapter 11 enables the Debtor BEI to preserve and maximize the

equity in the Debtor's property and proceeds from refinancing and/or sale. The value of the Debtor's property exceeds the amount of the Bay Point Loan.

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I declare under penalty of perjury under the laws of the United States, that the foregoing statements are true and correct. Further, I certify that I am qualified and authorized to file this Declaration.

Dated: June 7, 2023

A handwritten signature in black ink, appearing to read "Louise T. Blouin", written over a horizontal line.

Louise Blouin, President
Brickchurch Enterprises, Inc.

Bio of Louise T. Blouin

Follows on next page



LOUISE T. BLOUIN

- i. Louise Blouin co-founded Trader.com as a classified media company in 1987. The visionary behind the strategy of expansive international growth in the 1990's, Blouin was also responsible for bringing Trader.com online, launching its first website in 1996 – this was done by Blouin while raising three children and managing Traders' 7,000 employees across 21 countries. This online approach allowed Trader.com to achieve an IPO of 2.7 BN in 1999, where the company was listed on both the NASDAQ and Paris Bourse.
- ii. Since divesting her interest in Trader.com in 2003, Blouin has given approximately 140 MM USD to the arts and sciences through philanthropic efforts. Here Blouin has sought to explore the foundations of human creativity from the perspective of neuro-science and draw from these insights in order to support economic innovation and conflict resolution.
- iii. Blouin, through arts media and market data, has worked to democratizing the knowledge and understanding of the arts, where she was again a pioneer as the art market and art audiences blossomed in the late 2000s. Blouin has recently launched a series of art market visualization tools that accompany her art price database, Blouin Art Sales Index.
- iv. In parallel to her corporate and philanthropic activities, Blouin has also skillfully developed high-end real estate, where she has had a gift for identifying and enhancing prime properties and prime locations ahead of the market. Blouin was an early investor in key locations such as Courchevel, Paris, London, Lower Manhattan and the Hamptons. Blouin plans to formalize this skill by launching a high end single and multi-family real estate fund in 2023.
- v. Maintaining her interest in human creativity and potential, Blouin is actively working on several writing projects that address the importance of human creativity and human senses during our new age of automation and the emergence of artificial intelligence.

Louise Blouin is a media and internet pioneer, who's vision culminated in the IPO of Trader.com, of which she was the co-founder and co-owner, in 1999 for 2.7 BN USD on the NASDAQ and Paris Bourse.

Blouin co-founded Trader.com as Trader Classified Media in 1987, where the company began as a print classified media business in Montreal, Canada. After an initial phase of expansion within Canada, Trader expanded internationally with the major acquisition of 'La Centrale' in France, in 1990. Through the 1990's Trader expanded its reach acquiring over 70 companies, responsible for 400 publications with operations in 21 countries, across North America, Western and Eastern Europe, South America, Russia and China.

In 1993, under the direction of Blouin, Trader began investigating how best to move its platform onto the 'world wide web (www)', which at the time was only in its infancy with respect to infrastructure, reach and usability. In 1996 Trader launched its first website, which grew to approximately 60 at the time of its IPO in 1999. The participation of the business in the digital transformation also allowed for the successful IPO of the company under the name Trader.com.

In 2003 Blouin divested her interest in Trader.com and became active in the sectors of art, lifestyle and the sciences with a key focus of understanding creativity, primarily as a philanthropist, through her philanthropic ventures .

From 2003 until 2018, Blouin gave approximately 140 MM USD to the cultural and scientific sectors. Blouin supported research in the brain sciences and the foundations of human creativity, by working with leading brain scientists; Blouin also organized a summit – Blouin Creative Leadership Summit – that brought together world leaders to address global challenges and points of conflict with the view that inter-disciplinary dialogue and considerations of culture, could enable corporate and political leaders, in order to make more just, and impactful decisions.

At present, Blouin is continuing these investigations with a series of writing projects where she is exploring the tension between human creativity and the senses, and the emergence of Artificial Intelligence and robotics, seeking to give grounding to human endeavors in an age of automation.

Blouin supported arts media with a series of publications and web portals in an effort to expand knowledge and communication of the arts. Here Blouin reached audiences globally and allowed for open access to knowledge about a field and discipline that historically was only a domain of the elite and privileged.

In efforts to further expand the knowledge of the arts, Blouin acquired a number of print auction record companies and launched as of the mid 2000's, Blouin Art Sales Index (BASI). BASI recently has made available to users' visualization tools in order to graph and chart auction price trends within the art market, thus further democratizing the sector.

In parallel to building the successful Trader classified business, being active in the sectors of the arts and the sciences with an emphasis on exploring the foundations of human creativity and innovation, Blouin has obtained a strong track record in the development and sale of high-end residential real estate. Perhaps as a consequence of her business interests, or as an accompaniment to family life, where she raised three children, Blouin has tracked and participated in the real estate expansions in the markets of Courchevel, Paris, London, New York and the Hamptons. As a next venture, Blouin will launch a real estate investment fund in order to continue to develop and engage offerings with the sectors of high end, single and multi-family real estate.

REYL Term Sheet

Follows on next page



INDICATIVE TERMS & CONDITIONS – CREDIT FACILITY OF UP TO USD 62mio

Description	<p>The credit facility of a total amount up to USD 62mio (the Credit Facility) will be constituted of a Mortgage loan of maximum USD 62'000'000.- (the Mortgage Loan) to be used as follows:</p> <ul style="list-style-type: none"> ➤ Mortgage Loan: Refinancing a mortgage loan of USD 62mio with a Bay Point Capital Advisors LLC
Borrower	Mortgage loan: Brickchurch Enterprises Inc., incorporated in Tortola, BVI (the Borrower).
Beneficial Owner & Guarantor	Louise T. Blouin, Canadian nationality, Swiss resident (the BO or the Guarantor).
Lender	REYL & Cie Ltd, Geneva (the Lender).
LTV Ratio	<p>LTV: max. 60% on the property value.</p> <p>Mortgage loan I: Property located 366 Gin Lane, Southampton, US (valuated at USD 67.5mio)</p> <p>Two independent real estate reports (real estate experts to be appointed by the Lender) will be made in respect of the Properties. The Bank shall attribute values to the Properties on a discretionary basis taking into consideration the lowest values attributed by the independent real estate reports and, at its discretion, the acquisition prices of the Properties.</p>
Maturity Date	<p>Mortgage and Lombard Loans: 5y or 10y fixed rate with annual review.</p> <p>Termination notice + penalty in case of fix term maturity: To be defined.</p>
Interest	5y or 10y market base rate + tbd spread + refinancing costs.
Repayment	Mortgage Loan: In fine
Security Package	<p>The Security Package, in favor of the Lender, shall include in particular:</p> <p><i>In respect of the Mortgage Loan only:</i></p> <ul style="list-style-type: none"> ➤ first ranking(s) cross mortgage(s) over the Properties located at 366 & 376 Gin Lane, Southampton, US; ➤ assignment by way of security of the rental revenues in relation to the Properties (to be deposited on the Borrower Account) if any; ➤ assignment by way of security of the Properties insurance proceeds; ➤ pledges over 100% of the shares; ➤ personal guarantee from the Guarantor and ➤ pledge on each of the Borrower account opened in the Lender's books (the Borrower Account) and the Guarantor account opened in the Lender's books (the Guarantor Account).
Private Banking Undertaking	<p>The Guarantor undertakes to (these undertakings taken as a whole, the Private Banking Undertaking):</p> <ul style="list-style-type: none"> ➤ deposit, into the Guarantor Account, of liquid financial assets which the amount shall be determined between the Lender and the Borrower in scope of private banking relationship; ➤ maintain, at all time during the term of the Credit facility, liquid financial assets into the Guarantor Account representing a minimum cover value which shall be determined by the Lender in accordance with its internal credit rules) (the Cover Value); ➤ more generally, develop a global private banking relationship between the Guarantor and the Lender and other opportunities of collaboration (wealth planning, Corporate Finance, etc.).

SUCCESS. TOGETHER.

REYL & Cie Ltd | Rue du Rhône 4 | 1204 Geneva | Switzerland | T + 41 22 816 80 00 | F +41 22 816 80 01 | contact@reyl.com | reyl.com



REYL
INTESA SANPAOLO

Conditions Precedent and Subsequent	<p>Without limitation, in form and substance satisfactory to the Lender:</p> <ul style="list-style-type: none"> ➤ Mortgage Loan agreement executed between the Borrower, the Guarantor and the Lender (the Loan Agreement); ➤ Signature by the Borrower of the General Terms for credit facilities; ➤ account opening documentation in respect of the Borrower Account and the Guarantor Account; ➤ documentation in relation to the Properties; ➤ Security Package; ➤ Obtaining external Legal Opinion (impacts on chapter 11, company bankruptcy, and UBO, enforcement process, etc); ➤ Obtaining signed rental contracts if any; ➤ Obtaining Tax declaration; ➤ Obtaining signed property sale contracts if any; ➤ compliance with the Private Banking Undertaking; ➤ No change/modification on the Borrower is allowed without prior consent of the Lender; ➤ Legal issues on Borrower if any, must be solved before disbursement. ➤ compliance with the Private Banking Undertaking; ➤ deposit, into the Borrower Account, of an amount corresponding to one year of interests in respect of the Mortgage Loan; ➤ payment of the Application Fee and Other Fees (from external funds); ➤ carrying out of preliminary <i>due diligence</i> (internal and/or external); and ➤ copies of all other relevant documents as per Lender's request. ➤ Cross defaulting and negative pledge – No additional loans on Borrower and Guarantor without prior consent of the Lender.
Application Fee	0.25% applied on the Credit Facility.
Other Fees	Each of the Borrower and the Guarantor shall, on a joint and several basis, pay the Lender the amount of all costs, fees and expenses (including the Property valuation reports, external legal and notary fees) incurred by the Lender in connection with the documentation related to the Mortgage Loan, the Security Package, whether or not the Mortgage Loan finally is granted. The Lender is authorized to directly debit the Borrower Account and/or the Guarantor Account in order to make the appropriate payments in respect of the Application Fee and the Other Fees.
Applicable Law and Jurisdiction	Swiss law / Geneva courts. US law / US courts for the security interests in relation to the Property and the Borrower's shares.

This indicative offer is not meant to be, nor shall it be construed as, an attempt to define all of the terms and conditions of the Credit Facility. Rather, it is intended to outline certain basic points of business understanding upon which the financing contemplated herein may proceed. The main terms and conditions set out in this offer are indicative only and do not constitute a binding commitment by the Lender to extend credit to or arrange financing for the Borrower.

The availability of the Credit facility is subject to the conditions precedent, satisfactory due diligence (incl. KYC process) and documentation, no change in prevailing market conditions and the Lender's internal credit approval.

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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that, on June 7, 2023 a true and correct copy of the foregoing *Declaration of Louise Blouin in Support of Motion of the Debtor for Entry of an Order (I) Dismissing the Chapter 11 Case of Brickchurch Enterprises, Inc. and (II) Granting Related Relief* was served upon the counsel and parties of record and (i) the Office of the United States Trustee; (ii) counsel to Bay Point Capital Partners II, LP; (iii) the Internal Revenue Service; and (iv) any party that has requested notice pursuant to Bankruptcy Rule 2002 through the Court's Electronic Case Filing System and by email.